

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 13, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE January 14, 2015

DATE: January 5, 2015

TO: Public Utility Commission

FROM: Michael Breish MB

THROUGH: Jason Eisdorfer and Aster Adams
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SUBJECT: IDAHO POWER COMPANY: (Advice No. 14-11) Requests suspension of Schedule 73 – Home Products Program

STAFF RECOMMENDATION:

Staff recommends the Commission allow Idaho Power Company's (Company or Idaho Power) Advice No. 14-11 to go into effect January 14, 2015.

DISCUSSION:

On November 21, 2014, Idaho Power filed tariff revisions in Advice No. 14-11 and then a subsequent revision on December 3, 2014.¹ The filing proposes to suspend the Company's Schedule 73, Home Products Program, because certain measures are no longer cost-effective. Idaho Power hopes to redesign the program in order to continue providing the benefits in a different capacity to customers in the future. The filing is proposed to go into effect January 14, 2015.

Idaho Power also filed a document in UM 1710, "Cost-Effectiveness Exceptions Request for Specific Electric Measures and Programs: Residential and Irrigation Sectors," in which it described five measures, including this one, and a program that are no longer cost-effective in their currently Commission-approved design. UM 1710 exists to satisfy the collaborative effort between Staff and Idaho Power to create a more streamlined process of filing tariff changes related to cost-effectiveness levels for

¹ The second filing occurred due to an inconsistency between Advice Filing No. 14-11 and the filing "Cost-Effectiveness Exceptions Request for Specific Electric Measures and Programs: Residential and Irrigation Sectors" in UM 1710. After Staff discussed this inconsistency and other related matters, Staff asked Idaho Power to push back the filing date in order to have this Advice Filing appear on the January 13 public meeting.

energy efficiency programs and measures. By centralizing individual filings and describing them in an encompassing document, with plans to eventually do so once or twice a year, Idaho Power will be able to provide the Commission a more global overview of their energy efficiency efforts and the variables that affect them.

The Home Products program is offered to residential customers who purchase ENERGY STAR® appliances; the program in its current state offers incentives to Oregon customers for only refrigerators and/or freezers. The federal government, which administers the program, increased the standards by 20 to 30 percent depending on the product in September of 2014. The Regional Technical Forum (RTF) determined that, based on these increased standards, average annual gross energy savings dropped from 29 kilowatt-hours (kWh) to 21 kWh for refrigerators and from 40 kWh to 23 kWh for freezers.

Using these updated energy savings values with the Company's Demand-Side Management alternate costs from its 2013 integrated resource plan, Idaho Power monetizes the savings and determines benefit cost ratios (BCR). Below is a table provided by Idaho Power in Advice Filing No. 14-11 that shows the updated BCRs for the Home Products Program:

Measure	With Program Admin. Costs		Without Program Admin. Costs	
	UCT	TRC	UCT	TRC
Refrigerator – average all models	0.45	0.19	0.57	0.21
Freezer – average all models	0.95	0.24	1.35	0.25

Because the program is ending December 31, 2014 in Idaho, the Company would like to do the same in Oregon in order to maintain consistency and avoid any issues arising for customers or contractors. Idaho Power plans to honor applications up to the suspension date and will notify customers and retailers of the program suspension.

Idaho Power does not intend to terminate the program. Rather, the Company is suspending it in order to work with regional partners such as Bonneville Power Administration, Northwest Energy Efficiency Alliance, Northwest Regional Retail Collaborative, and Western Regional Utility Network to determine if alternative program

designs are available for delivering energy efficient appliances to the marketplace; options include “regional, cost-effective mid-to-upstream promotions for appliances and other products.” If this effort or other industry developments occur that create cost-effective opportunities for energy-efficient appliances, Idaho Power will file modifications to Schedule 73 with the Oregon Public Utility Commission.

Staff believes the proposed suspension and re-evaluation of the Company’s Schedule 73, Home Products Program are reasonable and recommends the Commission approve the Company’s proposed changes.

PROPOSED COMMISSION MOTION:

Idaho Power’s Advice No. 14-11 be allowed to go into effect on January 14, 2015.